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## **Terry Goddard Settles with Mohave Cooperative; Returns More than \$175,000 to Rural School Districts**

(Phoenix, Ariz. – November 16, 2004) Arizona Attorney General Terry Goddard announced a settlement with the Mohave County Educational Services Cooperative (MESC), which will return more than \$175,000 in overcharges to school districts.

"The whole purpose for establishing a purchasing cooperative is to provide school districts with the means to purchase goods and services at reduced prices," Goddard said. "Many school districts relied on MESC to do just that. MESC violated that trust. This settlement sends valuable dollars back to the districts that were overcharged."

The settlement follows an audit conducted at the request of the Attorney General's Office by the Auditor General. The audit found that MESC officials improperly conducted procurement and unfairly charged certain fees to its members. The audit also found that members were overcharged for products purchased through the cooperative and that the cooperative failed to exercise proper oversight of purchases.

The Consent Judgment includes the following provisions:

- The Mohave County Schools Superintendent will be responsible for the supervision and oversight of the MESC.
- Nine school districts will receive a total of \$175,306, which represents amounts identified in the audit in overcharges for products purchased through the cooperative.
- Seven school districts will receive a total of \$3,998 for overcharges.
- The Consent Judgment is effective for two years, and prohibits four MESC employees from starting a new purchasing cooperative for that period.

The Consent Judgment was filed in Maricopa County Superior Court and signed by Judge Kenneth Fields on November 9, 2004.

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